

Name or Client Number: \_\_\_\_\_

**Exhibit 5: National Foreclosure Mitigation Counseling Program Making Home Affordable Eligibility Determination Checklist**

**Directions:** Please check the appropriate “Yes” or “No” box when determining a client’s eligibility for the Making Home Affordable Program®. Shaded areas are requirements or options to be considered for the program. Non-shaded areas denote criteria that would disqualify the client from participating in the listed program. All shaded areas must be checked to determine if a client is eligible for a particular program. At the end of each section, check whether a client is eligible for the program by checking “Yes” or “No” and noting the reason, if applicable.

**Modification: Home Affordable Modification Program (HAMP or HAMP Tier 1):** NFMC Program Grantees must screen for eligibility by determining and documenting the following:

	Yes	No
Was the mortgage loan a first lien mortgage loan originated on or before January 1, 2009?		
Has the mortgage been previously modified under HAMP or has the client ever received a Trial Period Plan?		
Is this loan owned, guaranteed, or insured by Fannie Mae, Freddie Mac, FHA, VA, or USDA?		
Is the mortgage loan delinquent or is default reasonably foreseeable?		
Is the client a “natural” person? (Mortgage loans made to business entities are not eligible for assistance under HAMP)		
Is the mortgage loan secured by a single-family, one- to four-unit property that is occupied by the client as his or her primary residence? (Additionally, a loan will be considered for HAMP if: <ul style="list-style-type: none"> <li>The property was originally non-owner occupied, but the servicer can verify that it is currently the client's principal residence; or</li> <li>The client is temporarily displaced (e.g. military service, temporary foreign service assignment, or incarceration) but was occupying the property as his or her principal residence immediately prior to his or her displacement, intends to occupy the property as his or her principal residence upon his or her return and the current occupant is not a tenant).</li> </ul>		
Is the property securing the mortgage loan vacant or condemned? (The property may be vacant if, as described above, the client is temporarily displaced).		
Is the mortgage loan secured by a single-family property that is used by the client for rental purposes only and not occupied by the client, whether as a principal residence, second home, or vacation home? (If the answer is yes, then the client is not eligible for HAMP, but may be eligible for HAMP Tier II. See the HAMP Tier 2 checklist below).		
Is the client’s current monthly mortgage payment, PITIA (including principal, interest, taxes, insurance, and when applicable, association fees, and existing escrow shortages) greater than 31% of the client’s verified income?		
Has the client provided documentation of his or her financial hardship?		
Has the client agreed to set-up an escrow account and flood insurance prior to the beginning of the trial period, if one does not exist?		
Is the current unpaid principal balance of the mortgage less than \$729,750 for a one-unit property, \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property?		

Note: Under HAMP Tier 1, a borrower or co-borrower may receive only one modification.

**Is the client eligible for HAMP?**

Yes ☐

No ☐ \_\_\_\_\_

**Modification: Home Affordable Modification Program Tier 2 (HAMP Tier 2):** Please note, pursuant to NFMC guidelines, NFMC funds can only be used for single-family, owner-occupied, one-to-four unit properties. NFMC Program Grantees must screen for eligibility by determining and documenting responses to the following:

	Yes	No
Is the mortgage loan secured by a single family, one- to four-unit property that is occupied by the client as his or her primary residence? (Additionally, a loan will be considered for HAMP if: <ul style="list-style-type: none"> <li>The property was originally non-owner occupied, but the servicer can verify that it is currently the client's principal residence; or</li> <li>The client is temporarily displaced (e.g. military service, temporary foreign service assignment, or incarceration) but was occupying the property as his or her principal residence immediately prior to his or her displacement, intends to occupy the property as his or her principal residence upon his or her return and the current occupant is not a tenant).</li> </ul>		
Is the property securing the mortgage loan vacant or condemned? (The property may be vacant if, as described above, the client is temporarily displaced).		
Is the client a "natural" person? (Mortgage loans made to business entities are not eligible for assistance under HAMP)		
Is the mortgage loan delinquent or is default reasonably foreseeable?		
Is the mortgage loan secured by a single-family property that is used by the client for rental purposes only and not occupied by the client, whether as a principal residence, second home, or vacation home?		
Is the mortgage loan securing the rental property delinquent? (Please check "No" or write in "N/A", if this is not applicable)		
Was the mortgage loan a first lien mortgage loan originated on or before January 1, 2009?		
Is this loan owned, guaranteed, or insured by Fannie Mae, Freddie Mac, FHA, VA, or USDA? (If so, the homeowner is not eligible for HAMP or HAMP Tier 2)		
Has the client's mortgage been previously modified or have they received a HAMP Tier 1 Trial Period Plan, of which, they defaulted? (HAMP Tier 2 Trial Period Plan must be at least 10% less than the failed Tier 1 Trial Period Plan); or (Please circle one option below) <ul style="list-style-type: none"> <li>The client received a HAMP Tier 1 permanent modification, of which, they defaulted. (Additional eligibility criteria include: demonstrable change in circumstances or 12 or more months since effective date of HAMP Tier 1 modification); or</li> <li>The client received a HAMP Tier 2 Trial Period Plan or permanent modification, of which, the client defaulted.</li> </ul>		
Is the client's current monthly mortgage payment, PITIA (including principal, interest, taxes, insurance, and when applicable, association fees, and existing escrow shortages) greater than 25% of the client's verified income?		
Has the client provided documentation of his or her financial hardship?		
Has the client agreed to set-up an escrow account and flood insurance prior to the beginning of the trial period, if one does not exist?		
Is the current unpaid principal balance of the mortgage less than \$729,750 for a one-unit property, \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property?		
Has the client been convicted of felony larceny, theft, fraud, forgery, money laundering or tax evasion in connection with a mortgage or real estate transaction within the last 10 years?		

Note: Under HAMP Tier 2, a borrower or co-borrower may receive a total of three permanent modifications, one each on three different mortgage loans.

**Is the client eligible for HAMP Tier 2?**

Yes ☐

No ☐ \_\_\_\_\_

**Refinance: Home Affordable Refinance Program (HARP or HARP 2.0):** Please note, pursuant to NFMC guidelines, NFMC funds can only be used for single-family, owner-occupied, one-to-four unit properties. NFMC Program Grantees must screen for eligibility by determining and documenting the following:

	Yes	No
Is client the owner of a one- to four-unit home?		
Is the loan a first lien, conventional mortgage owned or guaranteed by Fannie Mae or Freddie Mac?		
Is client current on their mortgage (client must be current on the mortgage, have not missed more than one payment in the last 12 months, and have not missed any payments in the prior 6 months. If the client has had the loan for less than 12 months, he/she must not have missed any payments in the previous 6 months and have not missed more than one payment since inception of the mortgage)?		
Was the loan sold to Freddie Mac or Fannie Mae on or before May 31, 2009?		
Was the loan refinanced under HARP previously? (Not applicable to Fannie Mae loans that were refinanced under HARP between March-May 2009).		
Is the current loan to value greater than 80%? (For HARP 2.0 there is no longer a maximum LTV limit for borrower eligibility. However, if the client refinances under HAMP and their new loan is an adjustable loan their LTV may not be above 105%)		
Does the client have a source of income to support the new mortgage payments?		
Does the refinance improve the long-term affordability or stability of the loan?		

**Is the client eligible for HARP or HARP 2.0?**

Yes ☐

No ☐ \_\_\_\_\_

**FHA Loans** For clients with FHA loans, NFMC Program Grantees must screen for eligibility by determining and documenting the following:

	Yes	No
Is the client the owner of a one- to four-unit home?		
Is the client less than 12 payments behind on their mortgage?		
Does the client have income sufficient to support the new mortgage payments?		
With the modification, will the client's front end DTI be as close as possible, but not less than 31% and their back end DTI less than 55%?		
Is the client eligible for the FHA Special Forbearance, or the FHA Loan Modification and Partial Claim?		

**Is the client eligible for a FHA Loan?**

Yes ☐

No ☐ \_\_\_\_\_

**Short Sale or Deed-in-Lieu: Home Affordable Foreclosure Alternatives (HAFA):** NFMC Program Grantees must screen for eligibility by determining and documenting the following:

	Yes	No
Was the mortgage loan a first lien mortgage loan originated on or before January 1, 2009?		
Is the loan a first lien, conventional mortgage owned or guaranteed by Fannie Mae or Freddie Mac?		
Is client the owner of a one- to four-unit home? (The first loan must be less than \$729,750)		
Is the home the client's primary residence? (For mortgage loans that are more than 30 days delinquent, the property may be a principal residence, a second home, or an investment property. In addition, the property may be vacant but must not be condemned. For mortgage loans that are less than 31 days delinquent but evaluated as in imminent default, the mortgage property must be the client's principal residence).		
Was this property purchased in the last 12 months?		
Was the client qualified for HAMP based on verified income, but: <ul style="list-style-type: none"> <li>• Was not offered a trial modification due to inability to meet HAMP qualifications (for example, did not pass the NPV test or meet the target monthly mortgage payment ratio); or</li> <li>• Was not offered a trial modification due to inability to meet HAMP qualifications (for example, did not pass the NPV test or meet the target monthly mortgage payment ratio); or</li> <li>• Failed to complete the trial period successfully; or</li> <li>• Became two consecutive payments (31 or more days) delinquent on the modified loan; or</li> <li>• Requested a short sale or deed-in-lieu?</li> </ul>		
Is the client more than 60 days delinquent and have cash reserves less than the greater or three times their current mortgage payment?		
Is the client in foreclosure, pending foreclosure, in pending litigation involving the mortgage, or in active bankruptcy?		
Has the client provided documentation of his or her financial hardship?		
Is the client's monthly debt ratio greater than 55%? (Active duty military service members of the U.S. armed forces with PCS orders relocating from a primary residence purchased on or before June 30, 2012, are exempt from the total monthly debt ratio requirement).		
Is the title on the client's property clean?		
Has the client been convicted of felony larceny, theft, fraud, forgery, money laundering or tax evasion in connection with a mortgage or real estate transaction within the last 10 years?		

**Is the client eligible for a Short Sale or Deed-in-Lieu?**

Yes ☐

No ☐ \_\_\_\_\_

*Note: This document should be used to determine a client's eligibility for the Making Home Affordable (MHA) Program. Grantees should use this form during their initial assessment of their clients. Additionally, the form can be shared with clients to help them better understand MHA requirements.*

*Last updated: September 24, 2012*